

Senate Study Bill 1018

SENATE/HOUSE FILE _____
BY (PROPOSED TREASURER OF
STATE BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the time periods that unclaimed
2 demutualization proceeds and wages are presumed to be
3 abandoned and providing an effective date.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1254XD 80
6 mg/sh/8

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1 1 Section 1. NEW SECTION. 556.3A UNCLAIMED DEMUTUALIZATION
1 2 PROCEEDS HELD BY INSURANCE COMPANIES.

1 3 Property distributable in the course of demutualization or
1 4 related reorganization of an insurance company that remains
1 5 unclaimed is deemed abandoned two years after the earlier of:

1 6 1. The first date on which the property of an insurance
1 7 company being demutualized or reorganized was distributable.

1 8 2. The date of last contact by the insurance company with
1 9 a policyholder.

1 10 Sec. 2. Section 556.9, subsection 1, Code 2003, is amended
1 11 to read as follows:

1 12 1. All intangible personal property, not otherwise covered
1 13 by this chapter, including any income or increment earned on
1 14 the property and deducting any lawful charges, that is held or
1 15 owing in this state in the ordinary course of the holder's
1 16 business and has remained unclaimed by the owner for more than
1 17 three years after it became payable or distributable is
1 18 presumed abandoned. However, unpaid wages, including wages
1 19 represented by payroll checks or other compensation for
1 20 personal services owing in the ordinary course of the holder's
1 21 business that remain unclaimed by the owner for more than one
1 22 year after becoming payable are presumed abandoned.

1 23 Sec. 3. Section 556.11, subsection 4, Code 2003, is
1 24 amended to read as follows:

1 25 4. The report shall be filed annually before November 1
1 26 for the fiscal year ending on the preceding June 30. However,
1 27 the report of unclaimed demutualization proceeds as provided
1 28 in section 556.3A shall be made before May 1 for the preceding
1 29 calendar year. The treasurer of state may postpone the

1 30 reporting date upon written request by any person required to
1 31 file a report.

1 32 Sec. 4. Section 556.12, subsection 1, Code 2003, is
1 33 amended to read as follows:

1 34 1. If a report has been filed with the treasurer of state,
1 35 or property has been paid or delivered to the treasurer of
2 1 state, for the fiscal year ending on June 30 or in the case of
2 2 unclaimed demutualization proceeds, for the preceding calendar
2 3 year as required by section 556.11, the treasurer of state

2 4 shall provide for the publication annually of at least one
2 5 notice not later than the following November 30. Each notice
2 6 shall be published at least once each week for two successive
2 7 weeks in an English language newspaper of general circulation
2 8 in the county in this state in which is located the last known
2 9 address of any person to be named in the notice. If an
2 10 address is not listed or if the address is outside this state,
2 11 the notice shall be published in the county in which the
2 12 holder of the abandoned property has its principal place of
2 13 business within this state.

2 14 Sec. 5. EFFECTIVE DATE. Sections 1, 3, and 4 of this Act,
2 15 being deemed of immediate importance, take effect upon
2 16 enactment.

EXPLANATION

2 17
2 18 This bill specifies that unclaimed insurance company
2 19 demutualization proceeds are deemed abandoned the earlier of
2 20 two years after the first distribution date or two years after
2 21 the last contact date with the policyholder. The insurance
2 22 company must submit its report on these presumed abandoned

2 23 proceeds by May 1 instead of November 1.
2 24 The bill also sets the period for presuming the abandonment
2 25 of unpaid wages at one year.
2 26 The provisions relating to unclaimed demutualization
2 27 proceeds take effect upon enactment.
2 28 LSB 1254XD 80
2 29 mg/sh/8